

Catalogue no. 81-599-X — Issue no. 002
ISSN: 1709-8653
ISBN: 978-1-100-12773-6

Fact Sheet

Pan-Canadian Education Indicators Program

Transitions to the Labour Market

June 2009

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Transitions to the Labour Market

Education represents a large investment in the development of human capital. Data showing employment status, earnings, and the mobility of students and graduates across Canada provide summary information about students' transitions from school to the labour market. They also give a view of the initial impact of education on labour-market outcomes.

Moving into the labour market

For many young people, experience in the labour market is acquired before they leave the education system. Working while studying can represent a challenge for some students, but can be a positive experience for others. In 2007/2008, nearly all 15-year-olds were attending school, with 21% of 15-year-olds combining schooling with work. Among 18-year-olds, more diversity can be seen, with approximately one-third not attending school, and the others in various combinations of schooling (elementary-secondary, college, and university) and work, reflecting the transitions under way for this age group.

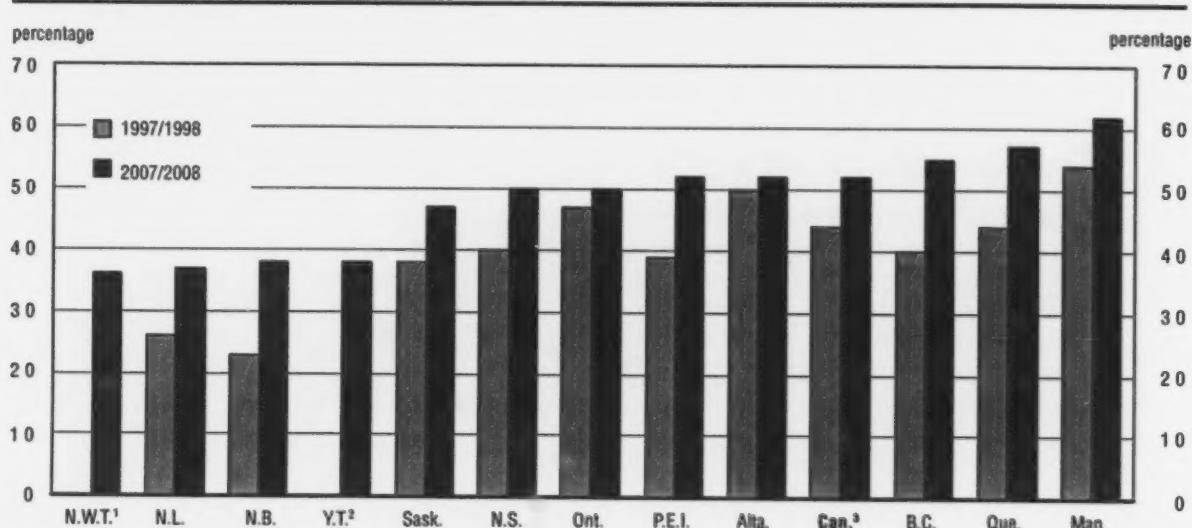
At the age of 21, a majority of young people were no longer in the education system, with four out of five of these non-students being employed. When looking at those aged 20 to 24 as a group, there was an increase in the proportion of students combining school and work. In 1997/1998, 44% of 20- to 24-year-olds were working while studying; this proportion increased to 52% by 2007/2008. This increase was evident in all provinces and territories (for which data are available); however, variations exist across provinces and territories in the percentage of students who combine school and work (Chart 1).

By age 25, a large majority of the population was no longer in the education system. Over two-thirds (70%) of 25-year-olds were working, another 5% were looking for work, and 8% were not in the labour force.

The transition from education to the labour force can be affected by a number of factors, including economic conditions. The data show that an individual's level of education, particularly the completion of postsecondary education, plays an important role.

Chart 1

Proportion of 20- to 24-year-old students who were also working, Canada and jurisdictions, 1997/1998 and 2007/2008



1. LFS data are only available from 2001 for the Northwest Territories.

2. LFS data are only available from 1992 for Yukon. They are suppressed for 1997/1998 to meet the confidentiality requirements of the Statistics Act.

3. Labour Force Survey (LFS) estimates for Canada are derived using LFS results from the provinces; the territories are excluded.

Notes: LFS data are only available from 2004 for Nunavut. They are suppressed for 2007/2008 to meet the confidentiality requirements of the Statistics Act. The number of students is based on a monthly average from September to April and includes full-time and part-time attendance. Caution should be exercised in interpreting the provincial ratios and differences in ratios between provinces and over time, as small estimates may present fairly high sampling variability.

Source: Statistics Canada and Council of Ministers of Education, Canada. June 2009. *Education Indicators in Canada: Report of the Pan-Canadian Education Indicators Program*. Catalogue no. 81-582-XIE. Ottawa. Table E.2.2.

Full-time employment of postsecondary graduates

Compared with the graduating class of 2000, college graduates of 2005 had lower rates of full-time employment two years after graduation. Among the college graduates of 2005, 74% were employed on a full-time basis, compared to 78% of graduates of 2000. However, the full-time employment rate for college graduates of 2005 was similar to that for their university counterparts. The full-time employment rate for university graduates was about 73% for both graduating classes. In most fields of study, a higher percentage of men than women was working full-time.

The impact of postsecondary study on labour-market outcomes can also be seen by comparing the 2008 unemployment rates of individuals with university (4.1%) or college (4.9%) credentials with the unemployment rates of those with high-school graduation (6.6%) or less (12.0%).

Education and earnings

Education positively affects earnings as well as employment rates. Two years after graduation, college graduates from the class of 2005 had median annual earnings of \$33,000, while their university counterparts were earning a median of \$45,000. This pattern is consistent across provinces, with the largest premium for university graduates seen in Newfoundland and Labrador, Nova Scotia, and Alberta. The distribution of earnings shows that males typically earn more than females. Field of study also affects median earnings. Two years after graduation, median earnings of university graduates of 2005 ranged from \$31,000 for graduates from the fields of visual and performing arts and communications technologies to \$53,000 for graduates from the fields of architecture, engineering, and related technologies, and the field of health, parks, recreation, and fitness.

Mobility of postsecondary students and graduates

Transitions may also include moving to another province or territory. Both enrolling students and graduates of universities are more mobile between jurisdictions than enrolling students and graduates of colleges. Among the university graduates of 2005, the percentage of graduates who had left their jurisdiction of study two years after graduation (10.7%) exceeded the percentage of students who had left their jurisdiction of residence to attend university (9.0%) (Chart 2). At the college level, 5.3% had left their jurisdiction of study two years after graduation, also surpassing the percentage of students who had left their jurisdiction of residence to attend college (4.6%) (Chart 3).

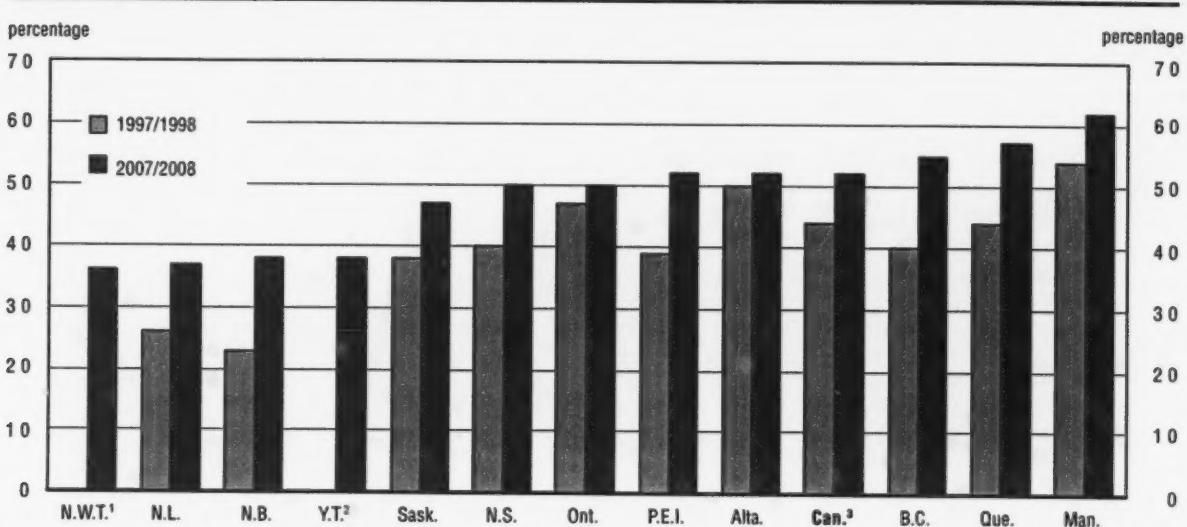
For more detailed information, and to see the specific data referred to in this fact sheet, as well as other tables of data relating to education in Canada, please see Tables E.2.2, E.2.3, E.2.5, E.2.6, E.2.7, E.2.8, E.2.10, E.2.11, E.2.14, and E.3.1 in *Education Indicators in Canada: Report of the Pan-Canadian Education Indicators Program, June 2009*. Catalogue no. 81-582-XIE.

This fact sheet is based on data from Statistics Canada's Labour Force Survey (LFS) and National Graduates Survey (NGS). The main objective of the LFS is to divide the working-age population into three mutually exclusive classifications—employed, unemployed, and not in the labour force—and to provide descriptive and explanatory data on each of these. The NGS seeks to profile the transition of postsecondary graduates from school to the labour market. Please refer to the Statistics Canada Web site (www.statcan.gc.ca) for more information on these surveys. From the Statistics Canada home page, select "definitions, data sources and methods," and then the appropriate survey from the alphabetical list under the "surveys and statistical programs" section.

The Pan-Canadian Education Indicators Program (PCEIP) is an ongoing initiative of the Canadian Education Statistics Council, a partnership between Statistics Canada and the Council of Ministers of Education, Canada (CMEC), to provide a set of statistical measures on education systems in Canada.

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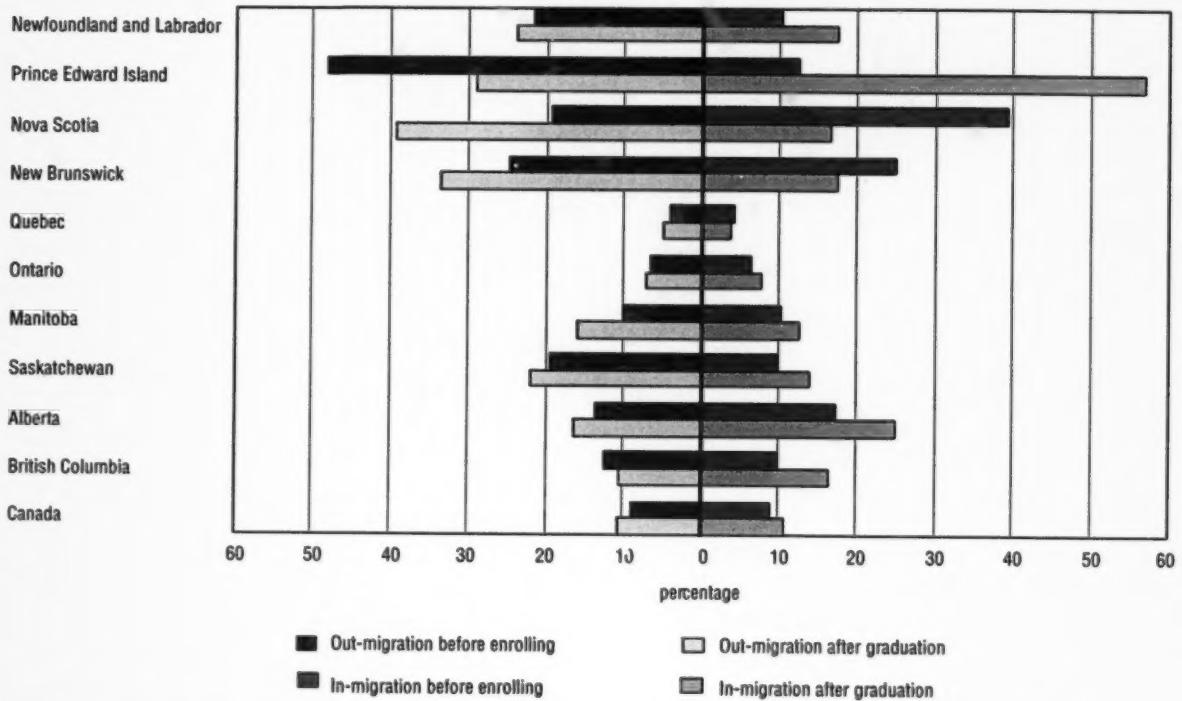
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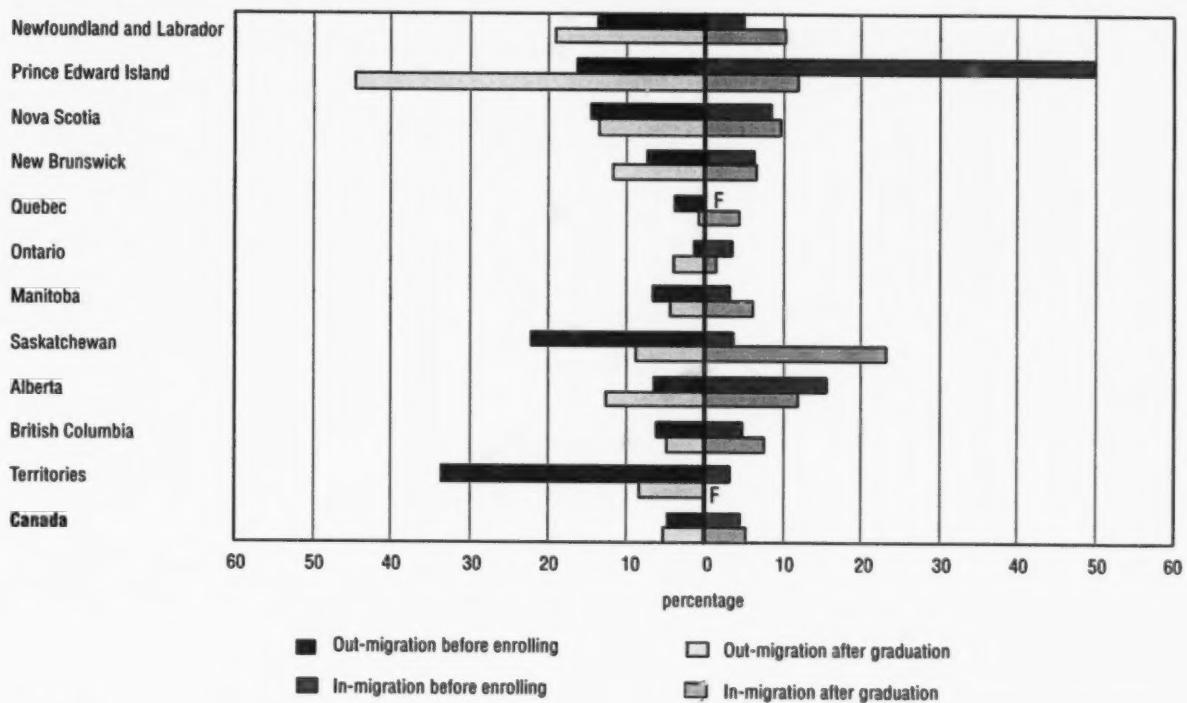
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Chart 2**Migration rates of the class of 2005, university graduates, Canada and provinces**

Notes: The rate of out (in) migration before enrolling is defined as the number of graduates who left (entered) the jurisdiction to pursue studies, as a percentage of the number of graduates that had resided in that jurisdiction one year prior to enrolment.

The rate of out (in) migration after graduation is defined as the number of graduates who left (entered) the jurisdiction two years after graduation, as a percentage of the number of graduates of the jurisdiction.

Source: Statistics Canada and Council of Ministers of Education, Canada. June 2009. *Education Indicators in Canada: Report of the Pan-Canadian Education Indicators Program*. Catalogue no. 81-582-XIE. Ottawa. Table E.2.14.

Chart 3**Migration rates of the class of 2005, college graduates, Canada and jurisdictions**

F too unreliable to be published

Notes: Data points not shown in the chart are too unreliable to be published or have been suppressed to meet the confidentiality requirements of the *Statistics Act*. The chart also contains certain estimates with relatively high coefficients of variation. Please see Table E.2.14 for more details.

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Acknowledgements

We would like to acknowledge the work of the PCEIP team at Statistics Canada and at the CMEC Secretariat, as well as the assistance of the provincial-territorial members of the Strategic Management Committee of the Canadian Education Statistics Council in reviewing the material. Thank you also to the Labour Statistics Division and the Centre for Education Statistics at Statistics Canada for providing data from the Labour Force Survey and the National Graduates Survey.